

"Established 1952" HUNTER H. MARTIN, FOUNDER (1924-1997)

HUNTER MARTIN & ASSOCIATES, INC.

ENGINEERS & SURVEYORS

3220 Lone Oak Road, Paducah, KY 42003 * (270) 554-2737 * (270) 554-2738 (FAX)

http://www.huntermartin.com

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COMMISSION

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Sam Reid Kentucky Public Service Commission P.O. Box 615 211 Sower Boulevard Frankfort, KY 40602-0615 JUN 2 3 2003

FINANCIAL ANALYSIS

2003-00034

RE: OHIO COUNTY WATER DISTRICT – (PSC RATE CASE NO. 2003-00034)

Pursuant to your conversations with Carryn Lee, we are providing additional documentation for our calculation of the wholesale inch mile ratio used. Our comments are as follows:

- ◆ The ratio calculation excluded 3" and smaller mains, even though there are a few locations, which are directly fed by 3" mains. For example, currently 4" mains primarily serve Fordsville but the master meter is connected to approximately 1 mile of 3" main. Another example is the connection for North McLean County Water District, where the master meter is connected to approximately 1,000 feet of 2" main. In the overall total inch diameter miles of jointly used pipe, the 3" and smaller mains are relatively insignificant.
- ♦ 4" mains play a significant role in supplying wholesale customers. As an example, several miles of 4" mains feed Fordsville and North McLean Water District. In addition to the direct feeds, there are several 4" loops that support these customers. Without these loops it would be impossible to serve the wholesale customers.

♦ The tabulation for total mains shows that 4", 6" and 8" mains comprise the largest part of the District's inventory. It stands to reason that these mains play a significant role in supplying water to our wholesale customers.

Also included is a color coded system map showing the piping schematic. This should help to visualize our reasoning.

If we can be of further assistance, please feel free to contact me.

Yours very truly,

Hunter Martin & Associates

Rod H. Martin, P.E.

RHM:rg

Enclosure (1)

C: Walt Beasley, Ohio County Water District, w/o enclosures Carryn Lee, Kentucky Rural Water Association, w/o enclosures